



3. Defendant B. Gregg Price is an individual who may be served with process at his place of employment, 1331 South Broadway Street, Sulphur Springs, Texas 75482.

4. This Court has subject matter jurisdiction over this matter because the amount in controversy exceeds its minimum jurisdictional requirements. This Court has personal jurisdiction over the Defendants because they entered into a loan agreement with Plaintiff whereby Defendants irrevocably and unconditionally submitted themselves to the jurisdiction of this Court.

5. Plaintiff requests that the Court order a Level 2 Discovery Control Plan.

6. Pursuant to Rule 47 of the Texas Rules of Civil Procedure, Plaintiff seeks damages in excess of \$1 million.

## **II.**

### **FACTS**

7. Plaintiff provides funding to lawyers and law firms in need of capital to develop their existing stable of lawsuits.

8. Since 2015, Defendants have maintained a borrower relationship with Plaintiff. On or about July 21, 2015, Defendants borrowed \$3,250,647.05 pursuant to Business Expense Note Number 946 (the "Note"). Under the terms of the Note, Defendants were able to use the proceeds for the limited purpose of their "Business Expense," which is further defined in the Note.

9. Under Section 3.2(b) of the Note, Defendants are required to provide Virage with quarterly case status updates, which Defendants last provided in or about October 2018.

Despite repeated requests, however, Defendants have refused to provide any further case status updates. This failure constitutes a default under Section 4.1 of the Note.

10. More importantly, Defendants have settled cases on behalf of their clients, and those cases form a part of the collateral for the underlying loan. Under the terms of the Note, Defendants are required to transmit up to an amount equal to 50% of Defendants' interest in the settlement proceeds to Plaintiff to be applied toward the outstanding balance of the Note. Defendants have failed, however, to comply with the terms of the Note because they have either retained the entirety of the settlement proceeds and/or failed to transmit up to 50%.

11. Virage has repeatedly requested Defendants to comply with the terms of the Note and remit the appropriate loan repayment amounts. Defendants have utterly refused to comport with their obligations.

12. As of today, the principal balance of the loan remains outstanding at \$3,250,647.05 and interest accrues on a daily basis at \$1,914.76 per day. The total amount outstanding, therefore, is approximately \$5,742,448.71.

13. Defendant B. Gregg Price guaranteed the obligations under the Note.

### **III.**

#### **CLAIMS AGAINST DEFENDANTS**

##### **(i) Declaratory Judgment**

14. Plaintiff incorporates the above facts by reference herein.

15. Plaintiff is entitled to a judicial declaration of its rights, status, and other legal relations with respect to key terms of the loan agreement with Defendants.

16. Plaintiff is entitled to its attorney's fees in connection with this matter pursuant to Tex. Civ. Prac. & Rem. Code §37.009.

(ii) Breach of Contract

17. Plaintiff incorporates the above facts by reference herein.

18. Plaintiff entered into a loan agreement with Defendants. As a result of Defendants' conduct, they have materially breached the agreement, causing Plaintiff damages.

19. Defendant B. Gregg Price has breached the terms of his personal guaranty, thereby causing Plaintiff damages.

20. Pursuant to Chapter 38 of the Texas Civil Practices and Remedies Code, Plaintiff is entitled to its attorney's fees.

**IV.**  
**CONDITIONS PRECEDENT**

21. All conditions necessary for Plaintiff's recovery against Defendants have been satisfied or excused.

**V.**  
**REQUEST FOR DISCLOSURES**

22. Under Texas Rule of Civil Procedure 194, Plaintiff requests that Defendants disclose, within 50 days of the service of this request, the information or material described in Rule 194.2.

**VI.**  
**CONCLUSION**

23. Plaintiff prays that Defendants be commanded to appear and answer, and that Plaintiff has and recover the following from them:

- a. a declaratory judgment as set forth above;
- b. damages against Defendants, including B. Gregg Price's individual guaranty;
- c. attorney's fees and costs of court; and
- d. any and all other relief Plaintiff may be entitled to at law or equity.

Dated: October 9, 2019

Respectfully submitted,

**MAHENDRU, P.C.**

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